RESEARCH HIGHLIGHT

October 2006 Socio-economic Series 06-012

Renovation and Repair Referral and Advisory Service for Seniors and Others Who are Homeowners

INTRODUCTION

The rapid growth in the population of seniors (people 65 years old or more) in Canada will increasingly require alternatives and choices to suit their changing housing needs. Aging-in-place (i.e., remaining for as long as possible in the home they have occupied for many years) is currently a preferred alternative by many seniors and this research project aims to assist them to maintain their comfort, safety and independence while living in their homes. The research, conducted under CMHC's External Research Program, focusses on the development of a model for a renovation and repair referral and advisory service for seniors and others who are homeowners.

OBJECTIVES

The major objective of this research was to develop a model to assist homeowners, and in particular seniors, with their choices and options for hiring contractors when considering home renovation and repairs. The model is intended to provide them with a method for finding honest and qualified renovation and repair contractors.

The study also had the following specific objectives:

1. To determine if there is an unbiased, third-party renovation and repair advisory service currently in use in Canada and/or other countries.
2. To determine if there is a need for a renovation and repair advisory service and the best method for developing this type of service.
3. To identify local industry interest groups that could assist if a model for a renovation and repair advisory service were developed locally.
4. To determine what model should be developed for a renovation and repair advisory service for seniors and others who are homeowners. The advantages and disadvantages were also considered.
5. To identify interested local renovation and repair contractors and a method for establishing a list of contractors and/or handypersons.

METHODOLOGY

The methodology included an extensive literature and Internet search of many countries to determine if a renovation and repair referral and advisory service for seniors and others who are homeowners existed. When renovation referral services were identified, questions were asked from referral service providers to find out how they had been developed, who used them, and whether they have been successful in reducing homeowner problems.

In Canada, a number of personal and telephone interviews with housing industry interest groups and a survey of about two dozen consumer associations, provincial/municipal/housing interest groups, governments, associations and related affiliates was also conducted. The objective was to find out about renovation and repair referral and advisory services.

Focus group sessions were held with seniors and others who were homeowners to determine if they had had problems when renovating and/or repairing their homes and whether or not they would find a renovation and repair referral and advisory service beneficial as a source for finding honest and reliable contractors. The focus group sessions were useful for obtaining feedback from participants on a number of questions related to the research, including the following.

a) What are your concerns about being taken advantage of or "scammed" by irresponsible contractors when having your house repaired or renovated?

b) How to find a renovation/repair contractor for your household's maintenance/repair needs and renovation projects?

c) Would a renovation/repair advisory service for seniors and others who are homeowners be used in the future and would they pay a small fee?

d) What would be the best way to advertise and market a renovation/repair referral and advisory service for seniors and others who are homeowners?

Canada

CMHC SCHL
HOME TO CANADIANS

e) Who should be responsible for running and monitoring a renovation/repair advisory service for seniors and others who are homeowners?

Members of the St. Thomas Seniors' Centre, an active community centre for seniors in St. Thomas in Ontario, provided valuable input to the research.

The information collected was used to develop the model described below for a renovation and repair referral and advisory service for Seniors and others who are homeowners.

FINDINGS

Model to assist seniors and others who are homeowners with their choices and options for hiring contractors when considering home renovation and repairs

The model developed suggests that a renovation and repair referral and advisory service for seniors and others who are homeowners should consist of two major components. The first would help them find local reputable contractors for major repair and renovation requirements; the second would help them find handypersons or "jobbers" who could assist them with minor home adaptations, repairs and maintenance.

The model would bring together a number of key players, including the local Chamber of Commerce, a community seniors' centre, building material suppliers, the local homebuilders' association and other groups concerned about the welfare of local homeowners, and in particular, seniors who choose to age in place. Each would play an important role.

The Chamber of Commerce, for example, would be responsible for the local contractors that provide major renovation and repair services. Seniors and others who are homeowners wishing to renovate or repair their homes would contact the Chamber of Commerce for general advice and to obtain a list of their member renovation/repair contractors. The Chamber of Commerce would provide ongoing information about large renovation and repair contractors, establish and run an appropriate monitoring system and appoint a full-time person to assist potential clients, particularly during the start-up period.

The community seniors' centre would work closely with the Chamber of Commerce and provide information about handyperson referral and advisory services. It would be the controller of the services and as a major source of information and advice for seniors, it would help meet the demand for handyperson services by reaching other age groups in the community. Handypersons performing work would most likely have to become members of the seniors' centre, or at least be affiliated.

The building material suppliers would provide referrals for both large renovation and repair jobs and handyperson services; and the local homebuilders' association would provide referrals of its renovator members.

All industry partners suggested in the model, except possibly the seniors' centre, may have a list of renovator/repair contractor members that they promote, but this list may be small as compared to the total number of available contractors in the area. An expanded and consolidated contractor membership would lead to an efficient and useful renovation/repair referral and advisory service for seniors and others who are homeowners.

One method for establishing an expanded and consolidated list of contractors and/or handypersons would consist of developing a preliminary database of interested local renovation and repair contractors and cross-referencing this database with other lists, including the member list of the local Chamber of Commerce, the member list of the home builders' association, the product supplier list and building material suppliers list of contractors, and any other lists of qualified renovation and repair contractors that may not be on these latter lists, but who could be interested in joining in. The combined list would be fine-tuned by verifying contractors' credentials, levels of professionalism and quality of past performance.

The ongoing maintenance and monitoring of the consolidated list of contractors and/or handypersons would be a major contributing factor to the success of a local renovation and repair referral and advisory services for seniors and others who are nomeowners.

Is there an unbiased, third-party renovation and repair advisory service currently in use in Canada and/or other countries?

Canada

There are a few examples of referral service providers in Canada, such as Home-Work (Calgary, Alberta) and Quality Access (London, Ontario). These are for-profit businesses designed to help homeowners/seniors find pre-screened contractors for their home improvement needs. They offer a list of member qualified local contractors. To qualify as members of the referral service, candidate contractors must meet certain requirements, such as completing an application, participating in an interview, having a business license

2007-01013/

(if applicable), carrying needed insurance, and having appropriate references. Referral service providers also perform portfolio reviews, ongoing evaluations, and follow-ups with their member contractors. The objective is to maintain a list that represents the best contractors in the local home improvement industry. Contractors that are unable to maintain the required level of quality and integrity can lose their membership.

Contractor referral services are also provided by homebuilders' associations and Chambers of Commerce in some Canadian localities. In London, Ontario, for example, the Chamber of Commerce provides seniors and others who are homeowners with a list of its member renovation/repair contractors. It also provides follow-up services when seniors and others who are homeowners complain about the quality of services from its members.

There is also a Handyman/Handywoman Program for seniors offered through the Lambton Seniors Association (LSA) in Point Edward, Ontario. The program, whose motto is "Seniors Helping Seniors," offers a wide range of services designed to help seniors get things done around the house at nominal cost. Services include minor home repairs, installing storm windows, painting, cleaning and lawn mowing. Handypersons are thoroughly screened by the LSA and provided with identification cards. Many of them are retired skilled craftsmen. They will not attempt to do jobs for which they aren't qualified. There is a standard hourly charge of 10 dollars plus, in some cases, travelling expenses. Supplies such as paint and the rental of special equipment are also at the homeowner's expense. Cost estimates for senior homeowner members are provided free of charge and members are welcome to explore other means of getting the work done. Problems are resolved through the LSA. The Lambton Seniors Handyman/Handywoman Program has been very successful since its inception in 1995. In 2005 they averaged over 750 jobs per month.

United States

A number of renovation and repair referral and advisory services for homeowners are available in the United States. These are often called Homeowner Referral Networks (HRNs) and vary in size; some operate at the national level, others at the local level. HRNs assist homeowners with large and small renovation projects by referring them to their pre-screened contractor members.

Internet service providers often partner with HRNs to offer renovation and repair referral and advisory services for homeowners over the Internet. Under these arrangements, contractors sign-up for membership, pay a fee, and describe their company's qualifications and services. Incoming homeowners' renovation requests are matched to HRNs contractor members on an ongoing basis. Homeowners can also access the HRNs nationwide staff of "Personal Project Advisors," who are available by telephone or e-mail to answer questions and help with any difficulties that may arise during the course of the renovations.

The level of quality of these types of services may be difficult to determine. Homeowners may be at risk when there is little or no contractor evaluation, monitoring and follow-up. Locally developed and run referral networks appeared to be more responsive and easier to monitor than those operated at the national level.

United Kingdom

In the United Kingdom, Home Improvement Agencies (HIAs) are not-for-profit organizations which provide a comprehensive range of services designed to help older people remain independent, safe and secure in their own homes.

HIAs assist vulnerable homeowners or private sector tenants, who are older, disabled or on low incomes to repair, maintain or adapt their home. There are approximately 230 HIAs in Britain alone. HIAs are usually managed by the Housing Associations, local authorities, charities, or independent management committees and are closely tied to local and central government programs and subsidies.

An example is the Walbrook Group's Care and Repair Home Improvement Agency in Derby. It provides free-of-charge comprehensive services, including technical advice, and assistance with attaining funding and selecting reliable tradespeople and contractors. They also arrange tenders, and help with filling in forms and supervising contracts. The agency's clients are predominantly low-income homeowners who are at least 60 years old or people with disabilities.

Many HIAs offer ancillary services that are designed to address a wide range of housing, health, social and care needs at the local level. These include crime prevention and security, energy efficiency, gardening, prevention of hospital admissions, and services to facilitate early discharge from hospital by offering clients post-discharge six weeks free support. Services are usually delivered by the Handyperson or Handyvan services. Clients generally pay for materials only. Labour costs are either free-of-charge or provided at a reduced rate.

Is there a need for a renovation and repair advisory service and what is the best method for developing this type of service?

Most housing industry respondents across Canada indicated that their company or organization did not have a method to provide renovation/repair advice to homeowners/seniors, and that they were not aware of any such services being currently available. Many also indicated that they had received complaints from seniors and others who are homeowners regarding the quality of the work by renovation/repair contractors, and that this had led them to believe that a reputable and honest referral service could assist seniors and others who are homeowners with their renovation/repair needs. Many of the respondents indicated that this type of service could work well in a medium-sized city. Others suggested that it would be better suited to larger cities.

What are your concerns about being taken advantage of or "scammed" by irresponsible contractors when having your house repaired or renovated?

Focus group participants provided examples of how they had been taken advantage of by renovation and repair contractors and of poor workmanship. Most participants indicated that they would not call the Better Business Bureau (BBB) to complain because they thought that it would be difficult for the BBB to discipline contractors or monitor their work. However, participants indicated that the BBB was a good resource to identify contractors that had complaints registered against them. Participants further indicated that while there are never any guarantees that consumers are going to have a 100 per cent perfect contractor advisory service, they felt that the availability of a good monitoring service was essential.

How to find a renovation/repair contractor for your household maintenance/repair needs and renovation projects?

Focus group participants indicated that word-of–mouth is currently the best method to find a contractor for a renovation project. Some had used local contractors whom they had known for many years. Others had obtained advice from family members. Participants did not perceive building material suppliers as a good source to find a contractor because they expected them to promote only their customer-contractors.

Would a renovation/repair advisory service for seniors and others who are homeowners be used in the future and would they pay a small fee?

Most focus group participants indicated that they would use a renovation/repair referral and advisory service once they knew how it works. They also said that a one-stop shopping service would be most useful. Some participants stated that they would pay for the assurance of knowing that they were going to have a reasonable chance of getting a reputable contractor and someone to consult with if they encountered problems. The Handyman/Handywoman Program for seniors offered by the Lambton Seniors Association was viewed favourably.

What would be the best way to advertise and market a renovation/repair advisory service for seniors and others who are homeowners?

Many participants thought that the traditional methods for advertising would be best. This would include advertising in the local papers and seniors-oriented publications. Word-of-mouth was also suggested as a good method for marketing. Computers were not seen as a good a method because many of the participants do not own computers.

Who should be responsible for running and monitoring a renovation/repair advisory service for seniors and others who are homeowners?

Focus group participants suggested that it would be better if the service were run through the local seniors' centre. People wishing to have work done could be directed to the Seniors' Centre to get the list of contractors or to ask for advice. The seniors' centre would also field calls from non-members and could use it to assist with membership promotion for the seniors' centre. Calls or referrals would not be just for the handyman/woman program but also for referring seniors and others who are homeowners to contractors for larger projects. The Chamber of Commerce, the local homebuilders association and the building material suppliers would be the main sources for larger project referrals.

What industry interest groups could assist if a system or a model for a renovation and repair referral and advisory service were developed locally?

Based on a case study in St. Thomas, Ontario, which is documented in the research report, this research identified a number of industry interest groups that could assist if a system or a model for a renovation and repair referral and advisory service were developed locally. These included the following.

a. The Canadian Home Builders' Association (CHBA) and its provincial and local association affiliates. Although these may not have renovator members, many of their product supplier and tradesperson members offering repair services could be listed as contractors for large renovation projects.

b. The Chamber of Commerce which serves the needs of local businesses that are registered as their members. Members have to adhere to a "Code of Conduct" and if they fail to provide adequate business services to their customers they can lose their membership. The Chamber of Commerce does not have

a follow-up service to ensure that contractors have provided a good service to the homeowner. However, if a homeowner has a complaint about services provided by a Chamber of Commerce member they would investigate and assist with mediation. They have a categorized list of contractors and trades in both electronic and booklet form. If a homeowner is looking for a specific renovation or repair service, member companies are recommended to the homeowner. Only a small number of seniors make inquiries for contractor referrals at the St. Thomas and District Chamber of Commerce.

c. Local building material and product suppliers, such as Home Hardware and RONA. They indicated an interest in providing home renovation and repair referral services to seniors and others who are homeowners. Home Hardware currently has a "Home Installs" service for installing their products and materials. RONA and Home Hardware offer referrals to customers, provide names of reputable contractors they know, and provide names of handypersons for smaller jobs. Other specialized building product and material suppliers which have their own installers also indicated their interest in supporting and cross-promoting home renovation and repair services referrals.

d. Local housing agencies often use contractors for repair work on their rental housing portfolio. The Elgin and St. Thomas Housing Corporation indicated their support for home renovation and repair referral services and stated that they could assist by promoting the use of this service to seniors and others who are homeowners when asked for advice.

What are the advantages of the proposed model for a renovation and repair referral and advisory service for seniors and others who are homeowners?

The study suggested that the proposed model could offer advantages to a wide range of community members, including seniors and others who are homeowners, building material suppliers and renovation contractors.

For seniors, it could:

- improve their chances to obtain the types of services and advice they need;
- further their prospects of accessing reliable and reputable contractors;
- help them access "one-stop shopping" on all aspects related to home repair, renovation and maintenance;
- enable them stay in their homes longer by eliminating the risks and hassles involved when having their homes renovated, repaired or maintained.

For others who are homeowners, it could:

- further their prospects of accessing reliable and reputable contractors;
- help them access "one-stop shopping" on a wide range of aspects related to home repair, renovation and maintenance.

For building material and product suppliers, it could:

- ensure that their customers have access to quality advice and workmanship;
- enable them to access a service and monitoring system that can track contractors performing renovations and repairs on their behalf;
- enable them to market their products and services effectively.

For renovation and repair contractors, it could:

- help them promote their services through one-stop shopping;
- help them determine service need and demand for their business;
- enhance their business opportunities.

CONCLUSION

This research led to the development of a model to assist seniors and others who are homeowners with their choices and options for hiring contractors when considering home renovation and repairs.

The model would bring together a number of key players —including the local Chamber of Commerce, a community seniors' centre, building material suppliers, and the local homebuilders' association— and consist of two major components. The first would help seniors and others who are homeowners find local reputable contractors for major repair and renovation requirements; the second would help them find handypersons or "jobbers" who could assist them with minor home adaptations, repairs and maintenance.

The research also suggested that a renovation and repair referral and advisory service could be a "win-win" situation for both local contractors and seniors and others who are homeowners electing to renovate, repair or adapt their homes to their changing needs. It could, in particular, provide seniors with an opportunity to age-in-place and therefore, remain independent in their homes for as long as possible.

RECOMMENDATIONS

The following recommendations emerged from this research.

1. An unbiased third-party renovation and repair advisory service for seniors and others who are homeowners should be developed in communities across Canada to assist seniors who wish to remain independently in their homes for as long as possible. This type of service could also reduce the chances of homeowners, including seniors, from being exploited by unqualified and/or unethical renovation and repair contractors.
2. Where a renovation and repair advisory service is developed, the following considerations should be taken into account.

a. The service should be developed at the community level and be championed by an unbiased third-party group. This could reduce the chances of favouritism within the renovation and repair industry.

b. The service should be of high quality, in terms of the types of services provided, the management and operational practices, and the type of monitoring systems used. The service could be marketed at local level using conventional methods such as newspapers, individual flyers, newsletters from the local associations and businesses and word-of-mouth.

3. In St. Thomas, Ontario and surrounding community, where most of the research was conducted, the development and implementation of the service could be the result of a combined effort between the St. Thomas and District Chamber of Commerce, the St. Thomas Seniors' Centre, the local building material suppliers and other industry interest groups such as the Elgin/St. Thomas Home Builders' Association.

CMHC Project Manager: Luis Rodriguez, Policy and Research Division

Research Report: Renovation and Repair Referral and Advisory Service for Seniors and Other Homeowners

Principal Investigator: T.A. Marshall, B. Arch., Housing Consultant

This project was funded (or partially funded) by Canada Mortgage and Housing Corporation (CMHC) under the terms of the External Research Program (ERP), an annual research grant competition. The views expressed are the personal views of the author(s) and do not represent the official views of CMHC. For more information on the ERP, please visit the CMHC website at **www.cmhc.ca** or contact the Project Officer, Responsive Programs by e-mail at erp@cmhc-schl.gc.ca, or by regular mail: Project Officer, Responsive Programs, External Research Program, Policy and Research Division, Canada Mortgage and Housing Corporation, 700 Montreal Road, Ottawa ON K1A 0P7.

To find more *Research Highlights* plus a wide variety of information products, visit our website at

www.cmhc.ca

or contact:

Canada Mortgage and Housing Corporation
700 Montreal Road
Ottawa, Ontario
K1A 0P7
Phone: 1-800-668-2642
Fax: 1-800-245-9274

©2006, Canada Mortgage and Housing Corporation
Printed in Canada
Produced by CMHC 20-10-06

Although this information product reflects housing experts' current knowledge, it is provided for general information purposes only. Any reliance or action taken based on the information, materials and techniques described are the responsibility of the user. Readers are advised to consult appropriate professional resources to determine what is safe and suitable in their particular case. Canada Mortgage and Housing Corporation assumes no responsibility for any consequence arising from use of the information, materials and techniques described.

65291